

2011 Property Tax Report

Sullivan County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Sullivan County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Sullivan County

The average homeowner saw a 3.2% tax bill increase from 2010 to 2011.
Homestead taxes in 2011 were still 41.6% lower than they were in 2007, before the property tax reforms.
95.0% of homeowners saw lower tax bills in 2011 than in 2007.
52.2% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011.
The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	3,351	67.2%	155	3.1%
No Change	579	11.6%	96	1.9%
Lower Tax Bill	1,055	21.2%	4,734	95.0%
Average Change in Tax Bill	3.2%		-41.6%	
Detailed Change in Tax Bill				
20% or More	471	9.4%	90	1.8%
10% to 19%	277	5.6%	27	0.5%
1% to 9%	2,603	52.2%	38	0.8%
0%	579	11.6%	96	1.9%
-1% to -9%	804	16.1%	80	1.6%
-10% to -19%	86	1.7%	202	4.1%
-20% to -29%	29	0.6%	417	8.4%
-30% to -39%	22	0.4%	991	19.9%
-40% to -49%	18	0.4%	1,281	25.7%
-50% to -59%	11	0.2%	788	15.8%
-60% to -69%	5	0.1%	232	4.7%
-70% to -79%	9	0.2%	127	2.5%
-80% to -89%	5	0.1%	93	1.9%
-90% to -99%	3	0.1%	98	2.0%
-100%	63	1.3%	425	8.5%
Total	4,985	100.0%	4,985	100.0%

Note: Percentages may not total due to rounding.

★★★★★
*THE LOSS OF THE STATE
 HOMESTEAD CREDIT RAISED
 HOMEOWNER TAX BILLS,
 DESPITE LOWER TAX RATES*
 ★★★★★

Homestead Property Taxes

Homestead property taxes increased 3.2% on average in Sullivan County in 2011. This was less than the state average increase of 4.4%. Sullivan County homestead taxes were 41.6% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax increase in 2011 was mostly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 5.1% in Sullivan County in 2010. Sullivan County's tax rates fell in 2011, but not enough to offset the loss of the state credit. As a result, homestead tax bills increased.

Tax Rates

Property tax rates declined in all Sullivan County tax districts. The average tax rate declined by 3.6% because the increase in net assessed value exceeded the increase in the levy. Levies in Sullivan County increased by 3.0%. The biggest levy increases were in most Southwest Schools funds and the county general fund. Sullivan County's total net assessed value increased 6.9% in 2011. Homestead assessments increased by 3.9%, and agricultural net assessments increased by 1.8%. Other residential assessments showed no change, while business net assessments increased by 12.0%.

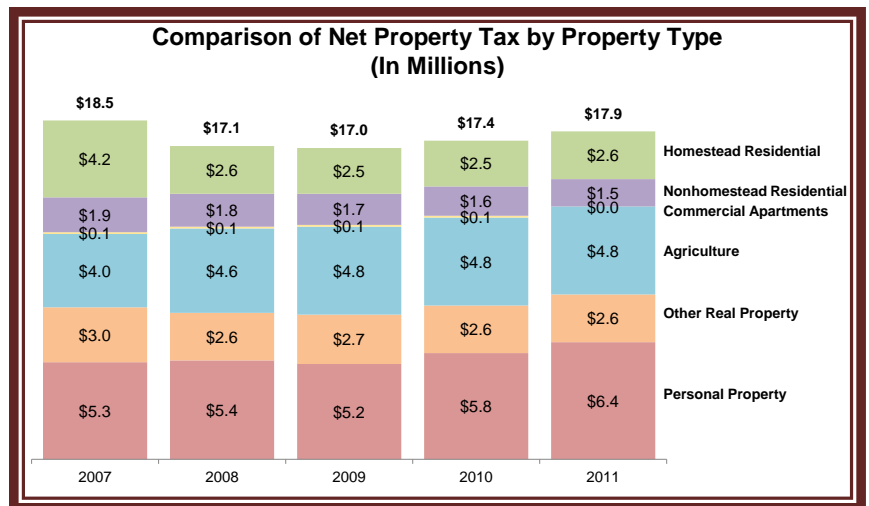
★★★★★★

*INCREASES IN BUSINESS TAXES; DECREASES
IN TAXES ON AGRICULTURE, OTHER
RESIDENTIAL, AND APARTMENTS*

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 3.6% in Sullivan County in 2011, similar to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills fall 3.4%. Tax bills for commercial apartments fell 51.9%, mostly because of assessment decreases. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 7.8%. Agricultural tax bills fell 0.2%, despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED
SLIGHTLY IN 2011*

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Total tax cap credit losses in Sullivan County were \$714,184, or 3.8% of the levy. This was less than the state average loss rate of 9.2%, but the same as the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Sullivan County's tax rates were near the state median.

More than half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 3% business category. The largest percentage losses were in the city of Sullivan and the towns of Hymera and Merom, where district tax rates were near or above \$3 per \$100 assessed value. The largest dollar losses were in Sullivan, the Southwest School Corporation, and the county unit.

Sullivan County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$45,900	\$342,495	\$292,952	\$8,547	\$689,893	3.8%
2011 Tax Cap Credits	51,458	429,925	224,529	8,273	714,184	3.8%
Change	\$5,558	\$87,431	-\$68,423	-\$274	\$24,291	0.0%

Tax cap credits increased slightly in Sullivan County in 2011 by \$24,291, or 4%. The additional

credits represent little added loss in the total tax levy. Most of the increase in tax cap credits was in the 2% tax cap category, which covers homesteads. Tax cap credits decreased in the 3% category. The elimination of the state homestead credit added to the increase in the 1% homestead category.

The Effect of Recession

The 2009 recession had a mixed effect on Sullivan County assessments for pay-2011. Homestead and other residential property values and construction activity appear to have grown little in Sullivan County in 2009, but increases in business values resulted in higher assessed value, overall. Higher assessments contributed to the drop in tax rates, which kept the increase in tax cap credit revenue losses small.

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*2009 RECESSION HAD A MIXED EFFECT
ON ASSESSMENTS IN 2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$419,093,185	\$421,279,300	0.5%	\$133,351,179	\$138,524,434	3.9%
Other Residential	54,442,400	54,474,400	0.1%	53,466,233	53,490,649	0.0%
Ag Business/Land	255,030,200	258,678,300	1.4%	238,492,287	242,866,279	1.8%
Business Real/Personal	424,121,670	477,989,104	12.7%	389,113,065	435,967,585	12.0%
Total	\$1,152,687,455	\$1,212,421,104	5.2%	\$814,422,764	\$870,848,947	6.9%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Sullivan County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	24,065,691	23,557,942	17,292,955	18,087,999	18,635,762	-2.1%	-26.6%	4.6%	3.0%
State Unit	18,766	19,811	0	0	0	5.6%	-100.0%		
Sullivan County	6,188,891	5,261,399	5,355,169	5,528,680	5,697,088	-15.0%	1.8%	3.2%	3.0%
Cass Township	44,776	49,706	51,242	51,401	52,701	11.0%	3.1%	0.3%	2.5%
Curry Township	193,197	187,942	196,609	201,693	208,769	-2.7%	4.6%	2.6%	3.5%
Fairbanks Township	54,150	55,180	57,057	58,767	60,495	1.9%	3.4%	3.0%	2.9%
Gill Township	121,053	127,283	129,580	134,598	139,395	5.1%	1.8%	3.9%	3.6%
Haddon Township	76,146	76,946	81,803	85,256	89,106	1.1%	6.3%	4.2%	4.5%
Hamilton Township	126,438	130,977	135,384	138,277	141,995	3.6%	3.4%	2.1%	2.7%
Jackson Township	49,250	51,708	54,365	56,178	56,207	5.0%	5.1%	3.3%	0.1%
Jefferson Township	43,339	46,578	48,390	48,815	47,057	7.5%	3.9%	0.9%	-3.6%
Turman Township	54,727	56,168	58,615	60,492	62,021	2.6%	4.4%	3.2%	2.5%
Sullivan Civil City	1,029,437	1,075,929	1,076,434	1,103,927	1,136,313	4.5%	0.0%	2.6%	2.9%
Carlisle Civil Town	90,510	79,514	93,615	97,102	99,246	-12.1%	17.7%	3.7%	2.2%
Dugger Civil Town	93,068	96,929	71,049	84,093	89,832	4.1%	-26.7%	18.4%	6.8%
Farmersburg Civil Town	55,336	57,649	59,287	60,483	62,520	4.2%	2.8%	2.0%	3.4%
Hymera Civil Town	53,845	56,540	52,992	58,167	60,260	5.0%	-6.3%	9.8%	3.6%
Merom Civil Town	18,803	16,749	16,514	18,692	19,190	-10.9%	-1.4%	13.2%	2.7%
Shelburn Civil Town	74,445	80,801	73,632	71,301	74,808	8.5%	-8.9%	-3.2%	4.9%
Northeast School Corp	4,373,367	4,705,358	2,761,347	2,701,336	2,722,080	7.6%	-41.3%	-2.2%	0.8%
Southwest School Corp	10,438,217	10,420,910	5,964,604	6,540,142	6,799,001	-0.2%	-42.8%	9.6%	4.0%
Sullivan County Public Library	867,930	903,865	955,267	988,599	1,017,678	4.1%	5.7%	3.5%	2.9%
Sullivan County Solid Waste Mgt Dist	0	0	0	0	0				

Sullivan County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
77001	Cass Township	1.9194	--	--	--	--	--	--	1.9194
77002	Dugger Town	2.6509	--	--	--	--	--	--	2.6509
77003	Curry Township	2.0352	--	--	--	--	--	--	2.0352
77004	Farmersburg Town	2.3991	--	--	--	--	--	--	2.3991
77005	Shelburn Town	2.4575	--	--	--	--	--	--	2.4575
77006	Fairbanks Township	1.8932	--	--	--	--	--	--	1.8932
77007	Gill Township	1.9678	--	--	--	--	--	--	1.9678
77008	Merom Town	2.8043	--	--	--	--	--	--	2.8043
77009	Haddon Township	1.9744	--	--	--	--	--	--	1.9744
77010	Carlisle Town	2.9570	--	--	--	--	--	--	2.9570
77011	Hamilton Township	2.0104	--	--	--	--	--	--	2.0104
77012	Sullivan City	3.6140	--	--	--	--	--	--	3.6140
77013	Jackson Township	1.9308	--	--	--	--	--	--	1.9308
77014	Hymera Town	2.8624	--	--	--	--	--	--	2.8624
77015	Jefferson Township	1.9282	--	--	--	--	--	--	1.9282
77016	Turman Township	2.0309	--	--	--	--	--	--	2.0309

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Sullivan County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	51,458	428,548	220,728	8,272	709,006	18,635,762	3.8%
<i>TIF Total</i>	0	1,377	3,801	0	5,178	34,392	15.1%
<i>County Total</i>	51,458	429,925	224,529	8,272	714,184	18,670,154	3.8%
Sullivan County	10,073	87,960	40,072	2,184	140,289	5,697,088	2.5%
Cass Township	38	587	0	20	644	52,701	1.2%
Curry Township	105	3,566	0	87	3,759	208,769	1.8%
Fairbanks Township	8	0	0	25	33	60,495	0.1%
Gill Township	3	46	0	7	56	139,395	0.0%
Haddon Township	15	278	0	21	314	89,106	0.4%
Hamilton Township	581	3,111	2,174	72	5,939	141,995	4.2%
Jackson Township	9	720	0	64	792	56,207	1.4%
Jefferson Township	3	0	0	1	3	47,057	0.0%
Turman Township	4	579	0	21	604	62,021	1.0%
Sullivan Civil City	20,867	137,042	102,082	1,005	260,996	1,136,313	23.0%
Carlisle Civil Town	408	8,269	0	252	8,928	99,246	9.0%
Dugger Civil Town	112	6,329	0	113	6,554	89,832	7.3%
Farmersburg Civil Town	0	2,857	0	92	2,948	62,520	4.7%
Hymera Civil Town	83	7,006	0	141	7,231	60,260	12.0%
Merom Civil Town	0	1,991	0	0	1,991	19,190	10.4%
Shelburn Civil Town	67	4,734	0	185	4,985	74,808	6.7%
Northeast School Corp	1,044	35,608	0	1,529	38,181	2,722,080	1.4%
Southwest School Corp	16,238	112,155	69,242	2,063	199,698	6,799,001	2.9%
Sullivan County Public Library	1,799	15,712	7,158	390	25,060	1,017,678	2.5%
Sullivan County Solid Waste Mgt Dist	0	0	0	0	0	0	
TIF - Shelburn Houseing 3	0	8	0	0	8	480	1.7%
TIF - Shelburn Housing 5	0	1,315	0	0	1,315	7,361	17.9%
TIF - Shelburn TIF	0	0	0	0	0	0	
TIF - Three Hundred (300) North Area	0	3	0	0	3	4,061	0.1%
TIF - Steward Street Project	0	52	3,801	0	3,853	22,489	17.1%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.